

**APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2009–10 (SUPPLEMENTARY) BILL 2010**

*Cognate Debate*

**MR C.J. BARNETT (Cottesloe — Treasurer)** [9.20 pm]: In accordance with standing order 169, I seek leave for the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 and the Appropriation (Consolidated Account) Capital 2009–10 (Supplementary) Bill 2010 to be considered cognately, and for the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 to be the principal bill.

This is in accordance with the established practice of this house that the supply bills, in this case both the capital and recurrent bills, will be dealt cognately and allows the consideration in detail to address both bills. It is normal practice and I hope members will support that.

Leave granted.

*Second Reading — Cognate Debate*

Resumed from 9 November.

**MR B.S. WYATT (Victoria Park)** [9.23 pm]: I rise tonight to speak to these two bills, the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 and the Appropriation (Consolidated Account) Capital 2009–10 (Supplementary) Bill 2010. As the Treasurer has pointed out already, and the house has given leave for the Premier and Treasurer to have the bills dealt with cognately with the recurrent bill as the principal bill, this leaves room for some general debate during the second reading process and there will be a number of speakers from the opposition speaking on this tonight.

As pointed out in the Treasurer's second reading speech, we are dealing with section 27 of the Financial Management Act 2006 that is titled "Expenditure in advance of appropriation" which in part reads —

- (1) The Governor may, on the recommendation of the Treasurer, authorise expenditure in a financial year that is not provided for by an appropriation by an Appropriation Act for that year.

And, in particular —

- (3) Expenditure may be authorised under subsection (1) or (2) only to make payments in respect of extraordinary or unforeseen matters.

I give the Premier and Treasurer notice that there will be some focus from the opposition on those key words "extraordinary or unforeseen matters", because a cursory look at the schedule attached to both the recurrent and the capital bills suggests to me, although with the information that has been attached to the schedules of those bills we cannot delve too deeply, that not all this spending can be described as "extraordinary or unforeseen" as it certainly seems to be spending in the ordinary course of government activities. I dare say, therefore, that the Treasurer's Advance Authorisation Bill 2010, which went through the Parliament in March of this year, is starting to deal with the ordinary day-to-day activities of government. The Treasurer's advance in some circumstances is being used simply to fill in funding holes for the ordinary operations of government, as opposed to what section 27 of the Financial Management Act says, that is, for "extraordinary or unforeseen matters". The opposition will be asking the Premier and Treasurer to expand on some of the detail contained in schedule 1 and 2 of the two bills.

The previous Treasurer provided the opposition with another schedule that further broke down the spending attached to the schedule in the bill. Has the Department of Treasury and Finance provided the Treasurer with a further breakdown, and does the Treasurer intend to provide the opposition with that breakdown?

**Mr C.J. Barnett:** Yes, I will provide that.

**Mr B.S. WYATT:** Will we get that before the consideration in detail stage?

**Mr C.J. Barnett:** I will get it to you this week, before we get to consideration in detail.

**Mr B.S. WYATT:** It would be of some use if the opposition could have that information sooner rather than later, because I dare say it will make the consideration in detail process more efficient if the opposition is provided with as much information as possible. I reflect on some of the speeches made by Hon George Cash in the other place about former Labor governments—I dare say Labor governments before I was a backbencher, which goes back a considerable way. Hon George Cash used to make quite scathing remarks when the government of the day would bring in the Treasurer's advance without that further information. I think the Treasurer will find that is a way of short-circuiting much of the debate. If the Treasurer could get his staff to provide that information as a matter of reasonable urgency, I think he will find the consideration in detail phase a lot more efficient, certainly from the opposition's perspective.

**Mr C.J. Barnett:** I will provide you with a copy of that tomorrow. I think it is all prepared. I have not got it with me.

**Mr B.S. WYATT:** I look forward to that, Treasurer. I am not sure when the Leader of the House wants to adjourn tonight, but I dare say that the second reading stage will continue tomorrow in any event, so tomorrow may be appropriate.

In the Treasurer's advance process, we effectively confirm what is spent, as authorised in the Treasurer's Advance Authorisation Bill passed in March this year. We are now looking at what was actually spent. Similarly, I indicate a cursory comparison of the schedule attached to the documents that the former Treasurer provided the opposition back in March with the schedule attached to the current Treasurer's bill, which shows that there are some considerable differences. That is something of keen interest to the opposition. Why is it that money that was authorised by the Parliament outside of the normal budgetary process for a specific reason for an extraordinary or unforeseen matter is not spent, is overspent or, in some cases, is spent in areas that were not first highlighted in the original Treasurer's advance? The opposition is keenly interested in that because the former Treasurer, the member for Vasse, has over many years made a number of critical comments about the Treasurer's advance process. It is something I will reflect on tonight in some of the recommendations that fell out of the Economic Audit Committee about this process.

As we know, the Treasurer's advance process has not been a happy process for this government. It has not been perhaps one of its shining hours when it comes to dealing with the Treasurer's advance and with those moneys that are spent outside of the normal budget process. I recall quite keenly the wee hours of a morning in March 2009 when the opposition had the former Treasurer, the member for Vasse in the hot seat, as it were, questioning him about details of some of the spending. To his credit the member for Vasse was endeavouring to answer the opposition. However, the Premier, somewhat discombobulated by the late hour, came in and kicked the Treasurer out of his chair—turfed him out of his chair—

**Mr M. McGowan:** Dismissed him!

**Mr B.S. WYATT:** The Premier dismissed him and sent him off to the toilet. The member for Vasse scuttled out the back. I am not sure why he had to go to the toilet, but away he went and the Premier and Treasurer—sorry, he was just the Premier then and not the Treasurer—popped himself down in the seat and immediately contradicted the Treasurer's answers. It was quite memorable. From memory, we were debating education expenditure and money for teachers and the Treasurer had spent 20 minutes confirming his exact position on that debate, only to be immediately contradicted by the Premier in his very brief sojourn into the Treasurer's chair in the early hours of 31 March 2009. Thankfully, the Premier rapidly became de-discombobulated and the Treasurer returned to his seat, and debate continued somewhat normally until the member for South Perth leapt to his feet and applied that vicious guillotine in a most unaccountable manner, which ensured that we had what was at the time, and still remains to this day, the highest Treasurer's advance authorisation on record—\$1.2 billion! We all remember that—\$1.2 billion—closely followed by the Treasurer's advance in March this year of \$1.15 billion. It is worth reflecting for a minute on the reflections of the former Treasurer, the member for Vasse, when he sat on this side of the house, both as shadow Treasurer and as Leader of the Opposition, on the advances of the former Treasurer, the member for Belmont, and the comments that he made about the amounts that the former Treasurer, the member for Belmont, sought. That was on 10 May 2006. That would have been my very first budget process, member for Armadale, and quite an exciting time it was too! On 10 May 2006, the member for Belmont, the then Treasurer, sought a Treasurer's advance of \$500 million. At the time, a media release spat out by the member for Vasse stated—

Shadow Treasurer Troy Buswell said the move was just another example of Labor's inability to manage the finances of Western Australia.

He then went on to say that the government's—

... request today for an extra \$200 million—

Remember that the whole TA was \$500 million and he sought an extra \$200 million—

seemed to indicate the Government had a budget blackhole that it was desperate to fill.

In fact, the Leader of the Opposition has entered the chamber. I am sure that he will remember keenly this debate in May 2006 when the member for Vasse, the then shadow Treasurer, viciously attacked him about the huge Treasurer's advance that he sought at that time in 2006. The then shadow Treasurer, the member for Vasse, was quoted in *The West Australian* on 19 December 2007 as saying—

Shadow treasurer Troy Buswell said Mr Ripper's raid on the Treasurer's Advance Account showed the Treasurer had lost control of the State's finances, primarily because the Premier had gone on a spending spree with a string of recent funding announcements.

The difference is, of course, that our spending sprees were actually brought to book! We are still waiting to see a whole range of different costly exercises from this Premier and Treasurer brought to book, so we do not even know the real impact of what the Premier is up to. Furthermore, this is a *Hansard* quote from March 2008 and, again, the member for Vasse said —

As the member for Churchlands rightly pointed out, when we debate this urgent bill that has been brought in by the Treasurer, all we are doing is acknowledging his incompetence and the government's incapacity to manage the finances of this state properly. The member for Churchlands is absolutely right—if the Treasurer worked for a private sector business, he would have been sacked a long time ago.

Heavens above! The member for Churchlands has seen the light—she is now no longer so concerned about Treasurer's advances blowing out to the tune of \$1.2 billion last year, closely followed by \$1.15 billion this year. How things have changed!

**Dr A.D. Buti** interjected.

**Mr B.S. WYATT:** I will be interested to see! We have a midyear review coming up, member for Armadale, and that is where we will get our first little look at what the expectation for the next Treasurer's advance is going to be. Surely, it cannot be over another \$1 billion, member for Armadale. Surely, it cannot be over \$1 billion for a third time round! I would be very surprised. Only the most rank incompetence would get it over \$1 billion for the third time in a row, and I am sure that the Premier and Treasurer, now that he has had his vicelike hands on both levers of power, has been able to bring the out-of-control steam train that is public sector expense growth under control, so we will not see a Treasurer's advance over \$1 billion for a third year.

**Mr C.J. Barnett:** From 12 per cent to seven per cent is a pretty good result, I would've thought.

**Mr B.S. WYATT:** Where did that seven per cent come from?

**Mr C.J. Barnett:** Read the media releases—public sector expenditure.

**Mr B.S. WYATT:** I prefer to read the *Annual Report on State Finances*, which is something that the Premier may not be familiar with. The *2009–10 Annual Report on State Finances* shows expense growth going from 13.5 per cent to 10.9 per cent, from memory. There was no seven per cent; it was 10.9 per cent. This is an interesting approach that has been taken by the Premier and Treasurer, and, indeed, a similar approach was taken by the former Treasurer—that is, if we take out all the big spending items, it is actually not that bad. If we take out all the things that cost a lot of money and all the things that are driving the expense growth, our expense growth is not that bad. Certainly, when I look at the *Annual Report on State Finances*, those state finances that the Premier generally likes to ignore or push off to the never–never, what I see is 13.5 per cent followed by 10.9 per cent. We heard the Premier say that expense growth down to seven per cent is not bad. What we saw under the former Labor government over nearly eight years was average expense growth of 7.5 per cent. Of course, there were overs and unders in that, but there was 7.5 per cent average expense growth during a time when the state economy doubled. That is not too bad, the Premier says. However, during a time of a slower economy—certainly not a slowing economy, but a slower economy—we saw expense growth at 13.5 per cent and 10.9 per cent because that is what the *Annual Report on State Finances* said. If we were to give 7.5 per cent to this government over the last two years, with all things being equal in the current budget over the forward estimates, \$6 billion is how much better off we would be, member for Armadale. Does the member for Armadale think he could do a few things in his electorate with that sort of money?

**Dr A.D. Buti:** Very much!

**Mr B.S. WYATT:** That is the difference. The Premier does not like it. He does not like the fact that his own spending is at 10.9 per cent. But that is not too bad, according to the Premier. It is still double figures, but he has got it down to 10.9 per cent. That is not too bad, he says through gritted teeth.

When I went back and read through the debate in *Hansard* on the Treasurer's Advance Authorisation Bill in March this year, it was quite a wonderful read. Believe it or not, members, it was a wonderful read! It was the second wonderful error in the Treasurer's advance process made by the government. Instead of the Premier making this error, though, in assuming control of the driver's seat, it was the Treasurer himself who managed to lose a lazy \$210 million in his documents. We remember that. I know that the member for Rockingham remembers that with great keenness, because he then moved a matter of public interest motion on that very topic. I do not know—I have not been here that long; as the Premier said, he has been here 20 years—whether, during debate on the Treasurer's advance, an MPI had been moved before in respect to the incompetence of the Treasurer of the day, who handed out a document missing \$210 million; I do not know. As the Treasurer said flippantly at the time, “It was an error. It was more cut than paste; that's the problem.” But the fact of the matter is that what was clear during debate—members can go back and read *Hansard*—is that the Treasurer gave out

documents with a breakdown of \$1.15 billion in spending outside the budget process that he had not read. That is what happened; he simply had not read the document.

**Mr M. McGowan:** He then hid from the media for five days.

**Mr B.S. WYATT:** I noticed when reading the matter of public interest debate in *Hansard*, member for Rockingham, that the Treasurer disappeared off to Cowaramup and absconded from media scrutiny, only to slip a copy of the corrected document, I guess with an equal amount of paste as cut, to the opposition on the following Tuesday, some four days after the embarrassing error was discovered. At that time, the then Treasurer, the member for Vasse, tried to decry it as nothing more than a simple mistake. However, this is why I think the Premier previously described the then Treasurer as sloppy. The Treasurer missed those details when he did not read the documents that he brought to the Parliament, particularly the Treasurer's advance legislation, which is, as I have said, members, spending outside the normal budgetary process. That in itself is not unusual; what is unusual is the size of spending that this government has been seeking—\$1.2 billion and \$1.15 billion. Therefore, when the Treasurer got those basics wrong, and when he did not drag out the calculator and add up the numbers so that they actually added up to the amount that the government was seeking in the legislation, we started asking questions. The member for Rockingham at the time stumbled across the \$210 million hole. It took the Treasurer completely by surprise. What was clear during the debate is that the Treasurer had not read the document that he had handed out to the opposition.

When we talk about the Treasurer's advance, what we have been talking about a lot in this place over the past little while has been the accountability of this government to stand by its decisions by arguing for them and allocating money for them and not, now that it is over two years into its term, still try to blame the former government for its own mistakes. It should be accountable when things go wrong, table documents and ensure that the activities of government are held up to the light and scrutinised. What we have seen in the past little while is the Auditor General make a number of interesting findings within this government. Although the Auditor General's title is not perhaps the sexiest and is not a title that screams out that we should all head out to listen to what the Auditor General has to say, he does indeed table some very interesting documents. I dare say that they are documents the opposition finds more interesting than the government does. I dare say that governments tend to be rather intimidated by the Auditor General. I say "governments" because the Auditor General over time has managed to highlight poor procedures and embarrass governments of both political persuasions.

What we have seen over the past couple of months are a couple of Auditor General reports that show that the detail is being missed. The Premier and Treasurer will no doubt say that we focus on the detail and we focus on process, but that is where things go wrong. That is why we have the Auditor General, and that is why the Auditor General produces reports such as the "Audit Results Report: Annual 2009–10 Assurance Audits: Report No 10—November 2010". I put a question to the Premier and Treasurer about significant financial mismanagement practices. He did not seem to think that it was an issue. However, I want to reflect and spend a bit of time on this document, because when we are looking at the Treasurer's advance and the processes that lead to significant spending outside the budget process—as I said, such spending should be for extraordinary and unforeseen matters, as opposed to the general activities of the government of the day—we start to see why and where things start to break down. They break down in the small areas, where it takes a little while for it to filter through to the mainstream media perhaps, until we start seeing these sorts of reports coming from the Auditor General.

In respect of financial management issues, the Auditor General found at page 13 of the report —

- 366 financial management control deficiencies were identified in 2009–10—a similar number to the previous two years. However, —

This is the key point —

19 per cent of these deficiencies were rated as significant, meaning that we considered they required immediate attention. The number of significant deficiencies has doubled in the last two years.

The Auditor General defines the term "significant" to be —

- significant—potentially presents a significant risk to the agency if not addressed promptly. Such control deficiencies may lead to a qualified opinion

The Auditor General broke it down into different areas, and 19 per cent of those deficiencies were rated as significant. It is not something that the Premier and Treasurer can just dismiss flippantly, as he did during question time last week. These are serious breakdowns in the financial management practices of the state government across a broad range of different government agencies. Those controls can be expenditure controls, revenue controls and human resource and payroll controls. The Auditor General recommended —

All agencies should ensure that management control deficiencies brought to their attention during their audit are addressed to ensure the continuing integrity of their financial control environment.

A doubling of significant financial management deficiencies is now impacting on the integrity of those government organisations that are experiencing this huge increase in financial management deficiencies. The Auditor General also noted —

... it was disappointing to note that 53 control deficiencies at 19 agencies were unresolved deficiencies from the prior year.

That means that financial deficiencies that had been brought to the attention of government agencies had not been acted on and rectified. The lack of financial integrity in those agencies had continued even after the Auditor General had brought that particular government agency's attention to the failure of that practice.

The report also reflected on qualified opinions that it had issued on five different organisations. I want to reflect on one of them because it is pertinent to something I want to speak about a little later, and that is the Department of Agriculture and Food. The Auditor General gave the Department of Agriculture and Food a qualified opinion in respect of its key performance indicators. The Auditor general reported —

Nine of the Department's KPIs of effectiveness reported at 30 June 2010 either did not relate to or were not an appropriate measure of the Department's effectiveness as they had limited correlation to the Department's outcomes.

The Department of Agriculture and Food was giving itself KPIs that do not at all relate to what the department actually does. When members of Parliament and Western Australians ask how the taxpayers' money is going in the Department of Agriculture and Food, we see the Minister for Agriculture and Food stand at every question time and speak for 25 minutes in response to a Dorothy Dixer asking how his department is going. Then we look down at the KPIs that are all ticked off and looking good. However, we realise, thanks to the work of the Auditor General, that the KPIs actually do not relate to what it is that the Department of Agriculture and Food does. That is why the Auditor General gave the Department of Agriculture and Food a qualified opinion. That department was not alone. The Department for Child Protection got a qualified opinion on KPIs. The Local Health Authorities Analytical Committee got a qualified opinion on KPIs. Racing and Wagering Western Australia got a qualified opinion on KPIs. Those are four not insignificant organisations that have KPIs that do not match what it is that those organisations do. This is a significant finding of the Auditor General. The Premier may have been Treasurer for only a short period, but he is the head of government and he knows one cannot run a ship that measures itself in this way. The Auditor General has now drawn this to the attention of members of the public and members of Parliament. The Premier and Treasurer must now act on what the Auditor General has found.

I also want to reflect, if I may for a minute, on statements of corporate intent. This is an interesting finding of the Auditor General. I want to quote him at page 26 of the report, which reads —

Widespread non-compliance with the legislative requirement to table annual Statements of Corporate Intent (SCI) continues.

“Continues” —

SCIs contain details of the annual contractual agreement between the agency and the government and are intended to be tabled in Parliament by the relevant Minister either before commencement of or early in the financial year to which they relate. At 30 September 2010, SCIs for 15 of 22 agencies had not been tabled for 2010–11. Nine out of 19 agency SCIs have not been tabled for the prior year.

Why do we worry about SCIs? First, it is the law that these agencies have to prepare them, draft them and get them ticked off by the Treasurer and then get them ultimately tabled in the Parliament. As the Auditor General reports —

SCIs are therefore an important governance and accountability mechanism.

Let us look at some of the organisations that, at the time the Auditor General's report was tabled, had outstanding SCIs. I will note that some have since been tabled in rather a rush. Late last week we saw a rush of SCIs tabled in the Parliament. Certainly, as at Friday, the Chemistry Centre had not tabled an SCI for the past three years. The Forest Products Commission had not tabled an SCI for the past three years. At that time LandCorp had not tabled an SCI for the past three years, although on Friday it tabled its 2010–11 SCI with the previous two statements of corporate intent outstanding. It goes on and includes the Insurance Commission of Western Australia and Racing and Wagering WA. The ports were huge offenders. The Bunbury, Dampier, Esperance, Geraldton and Port Hedland ports tabled their statements of corporate intent in a rush last week. The Auditor General highlighted this failure of management. It is a failure of governance. These are not meaningless documents; these are documents that the Parliament has stipulated must be prepared, must be ticked off by the Treasurer and must be tabled here. These are key governance requirements. The question that obviously arises is

whether it is the agencies that are having problems with preparing statements of corporate intent—as I said, a lot of agencies have not tabled SCIs for a number of years—or whether it is the fault of the ministers. Is it Hon Simon O’Brien’s fault? Probably. At last there has been a rush to table the SCIs of the port authorities. I daresay I am getting closer when I ask: was it the Treasurer’s fault? Under the enabling legislation for most of these organisations, the Treasurer has to concur with the statements of corporate intent as prepared by the department and submitted to him in draft form by the minister. I have no doubt that the pile of documents on the Premier’s desk down at Governor Stirling Tower is getting higher and higher. The statements of corporate intent are gathering dust as the various agencies poke their ministers and the ministers poke the Premier and beg him to comply with the law as laid down by this Parliament. Finally, after the Auditor General embarrassed the government with his report, there has been a keen rush of statements of corporate intent.

I picked on the Minister for Agriculture and Food a little this evening. His department has come off poorly from the Auditor General’s report. The key performance indicators of the Department of Agriculture and Food do not match what it does. We have not seen a statement of corporate intent from the Forest Products Commission for three years. I do not know what is going on down there. I do not know whether the minister is willing to give me a wink and a nudge to suggest whether it is the Premier’s fault or his own fault. What we have seen in a number of different areas—the financial management deficiencies, the KPIs and the lack of statements of corporate intent—is a breakdown of the key nuts and bolts of financial management. That is why when the former Treasurer placed a document before the Parliament and the opposition that missed out \$210 million—the entire recurrent spending under the Treasurer’s advance to the Department of Health—the opposition kicked up a bit of a stink, as one would expect. The former Treasurer can carry on all he likes about there having been too much cutting and not enough pasting, but that mistake reflects his sloppy nature and the fact that he never really had an eye on the detail of his job. He was good at the bluster, at the bravado and at throwing toilet paper around the chamber, but when it came to the key details of managing the state’s finances, he took that as the punchline of his job. It was not what he was here to do.

**Mr M. McGowan:** I think he was a one-hit wonder.

**Mr B.S. WYATT:** He was a one-hit wonder, member for Rockingham.

**Dr A.D. Buti:** Not too big.

**Mr B.S. WYATT:** Yes, although we can question how big that hit was, member for Rockingham.

**Mr M. McGowan:** We can think of some examples, can’t we?

**Mr B.S. WYATT:** I can think of a few examples. My entire tape, record and CD collections are replete with one-hit wonders. In fact, I actually think that the best thing on 720 ABC—you will like this, Mr Speaker—is the dance tracks played by Geoff Hutchison. I eagerly await the 10.30 dance track each morning, because more often than not it is a song in my collection. In fact, yesterday’s dance track was Rick Astley’s *Never Going To Give You Up*. However, I think the Premier has given up on the former Treasurer. He certainly is not as funky as Rick Astley once was.

**Mr M. McGowan:** He was a one-hit wonder because he only did one budget.

**Mr B.S. WYATT:** At the moment he has done only one budget. We eagerly await whether the member for Vasse will return to his former role.

**Mr P.C. Tinley:** The comeback kid.

**Mr B.S. WYATT:** The comeback kid!

**Mr M. McGowan:** He was like *My Sharona* by The Knack.

**Mr B.S. WYATT:** By The Knack—I do not plan bursting into song on that.

**Mr W.J. Johnston** interjected.

**Mr B.S. WYATT:** I know *My Sharona*. I will not say I am a keen fan of *My Sharona*. I daresay that it is probably from the 1970s and not the 1980s.

**Mr M. McGowan:** No, it was 1981.

**Mr B.S. WYATT:** It was 1981. Okay.

**Mr W.J. Johnston:** It was 1979.

**Mr B.S. WYATT:** I am going with the member for Cannington!

**Mr M. McGowan:** *Come On Eileen* by Dexys Midnight Runners.

**Mr B.S. WYATT:** Now that is a good song.

**Mr M. McGowan:** That is him—a one-hit wonder.

**Mr B.S. WYATT:** That is one of my favourite songs. I do not want to compare the member for Vasse with a song I actually enjoy because I would never enjoy the song again.

**Mr W.J. Johnston:** Do you know that *My Sharona* was on George W. Bush's iPod?

**Mr B.S. WYATT:** I am not sure what to do with that piece of information, but I thank the member for Cannington.

I will drag my wanderings back to the Auditor General, because he has done, and always does do, a wonderful job. I have already raised three significant issues on which the Auditor General critiqued the government and found it wanting.

The Auditor General made another quite incredible finding. No doubt the member for Ocean Reef will be very keen on this. It is about the professional status of chief finance officers. This is extraordinary. The Auditor General states in his report —

We found that 81 per cent of agency CFOs are suitably qualified, —

That means that 19 per cent of CFOs are not qualified for the positions they hold in government agencies. He continues —

Six agencies, five metropolitan agencies and one regional agency, did not have CFOs that were qualified or exempted.

The Auditor General went on to say —

Suitably qualified is defined as current membership of CPA Australia, the Institute of Chartered Accountants in Australia, the National Institute of Accountants or an overseas accounting body that is recognised by at least two of these bodies as having requirements for membership equivalent to those of the approving body.

Twenty per cent of chief financial officers in government agencies are not qualified to do the job. That is not an insignificant number of chief financial officers who do not have the relevant qualifications to have that job, as deemed by Treasurer's Instructions back in 2006. We have in this one report by the Auditor General findings that 19 per cent of all financial management deficiencies are significant, with that number doubling in one year; the KPIs of the Department of Agriculture and Food, for example, do not relate to what the department does; there is complete disinterest from the government in the statements of corporate intent; and some chief financial officers are not qualified to do their jobs. I have particularly focussed on the KPIs because of the wonderful million-dollar document that the government put out over a year ago. The final report of the Economic Audit Committee, which was given to the government in October last year, is called "Putting the Public First: Partnering with the Community and Business to Deliver Outcomes". I have put a few questions on this document to the Premier and Treasurer during question time. I have asked whether the Premier and Treasurer have any idea about when some of the recommendations might be implemented or worked on. The Economic Audit Committee highlighted at recommendation 7 that the government should —

Modify the existing performance reporting regime by:

- a) ensuring Key Performance Indicators (KPIs) for service delivery to citizens and the community are aligned with Outcome Areas;

When I first read that I did not think it was that big a deal to have a KPI that aligns with the outcome areas. That does not seem like an outrageous suggestion. I was surprised that the Economic Audit Committee needed to make that comment until the audit report tabled just last week highlighted that the Auditor General had identified that the KPIs of four government agencies—there are possibly more; this was a random sample—do not actually measure what those agencies do. Something that I took particular interest in and which formed the topic of discussion and debate during the former Treasurer's first Treasurer's advance authorisation bill was the Treasurer's advance process itself and the lack of accountability and transparency in that process. I accept that the Treasurer's advance process has been in place for a long time; it has not come about as a result of this government's activities. But, just tonight, the Treasurer has said, "Well, I've got this document for you that has the breakdown, but I'll give it to you tomorrow." These documents were tabled last week; we are debating the matter tonight, and we will be debating it again tomorrow and Thursday, yet the opposition still does not have a breakdown of what is, apparently, \$1.15 billion in authorised spending. I do not think that is acceptable and I do not think the people of Western Australia will think that is acceptable, and the government itself, in its Economic Audit Committee final report, does not think that is acceptable.

Recommendation 5 of the Economic Audit Committee final report states —

Strengthen the budget process to promote efficient, effective and innovative achievement of outcomes by:

- a) phasing in new funding models to derive agency budget year and forward estimates —

The Premier and Treasurer does not believe in forward estimates—maybe that bit will fall away —

based on robust cost and demand modelling;

- b) enhancing accountability through:

- i) replacement of the existing centrally managed Treasurer's Advance with the allocation of specific Ministerial portfolio contingency provisions;

- ii) a requirement that agencies seeking funding over and above that which is available from their portfolio's contingency undertake a value for money audit and/or price review, subject to materiality; and —

This will be very useful, Mr Speaker —

- iii) end-of-year reports by Ministerial portfolio, detailing material variances between budget estimates and actuals and the extent of utilisation of portfolio contingencies, for consideration at 'closing-out' hearings of the Estimates Committee; and

- c) contributing to a public service culture that promotes value for money and innovation in service delivery by empowering agencies through multiple year budget allocations, based on more robust estimates, over a longer time horizon.

If we delve further into this rather weighty, million-dollar final report from the Economic Audit Committee—I wait with interest to see whether the government does anything with these recommendations—we see that the committee expanded on its reasons for stating that it saw the reform of the Treasurer's advance process as necessary to improve accountability and ensure that ministers are accountable when they seek money above that which was appropriated. Page 15 of the final report, under the heading of "Delivering on Priorities", states —

Where an agency requires additional appropriations to fund unforeseen expense increases or revenue shortfalls within the budget year, supplementary funding is available through the centrally managed Treasurer's Advance. This Advance is capped at three per cent of total appropriations for the previous year and is approved by Parliament after the end of the financial year.

That is what we are doing tonight and over the next couple of days —

This process provides no effective deterrent to agencies seeking supplementary funding. Indeed, it is more likely to reward overspending than appropriate guardianship of public resources.

This incremental approach puts constant pressure on the State's financial position.

Footnote 7 about that states —

Actual expenses in the general government sector in Western Australia have exceeded budget estimates by 2.6 percentage points on average over the seven years to 2007–08. Expense growth averaged 7.5 per cent per annum over the same period.

I have outlined that previously. I will quote one more sentence from this final report, which states —

Without greater certainty in funding, it will be difficult for agencies to provide assurances of funding to community organisations that are delivering services on their behalf. In the United Kingdom, where more long term budget processes are in place, the evidence suggests that there is greater realism in estimates, greater certainty of resourcing for agencies over a longer period, and a greater level of trust that agencies can establish realistic future costs and demands and will deliver to budget over the longer term.

The problem is that we have a Premier and Treasurer who does not actually believe in forward estimates. We have a suite of recommendations and findings from the Economic Audit Committee that could actually bring more rigour to the financial process and more rigour to the Treasurer's advance process and could ensure that we do not find ourselves in the position in which we have found ourselves over the past two years—that is, with a massive \$1.2 billion request for spending outside the budget process. Again, this year, there has been a \$1.15 billion increase in spending outside the budget process, and the Treasurer has lost \$210 million along the way.

As the Treasurer's own document states, the process does not actually encourage government departments to budget accordingly; they know that they can go through the central process—the Treasurer's advance process—and all will be provided. We know that, because when it comes into the Parliament, we have a situation whereby



the Premier and Treasurer says, “You can have the breakdown on the spending tomorrow”, despite the fact that this bill was tabled last week and despite the fact that by the time tomorrow comes around we will have had a number of hours’ debate on the Treasurer’s advance.

As I have said, we are dealing with a large sum of money. A cursory glance at the schedule attached to the Appropriation (Consolidated Account) Capital 2009–10 (Supplementary) Bill 2010 and the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 already highlights that there are remarkable differences between what was asked for in March this year and where that money was approved to be spent, and, it appears, where the money has been spent. That is something about which we will, hopefully, get a bit more detail from the Premier and Treasurer when we get to consideration in detail.

In winding up my short address, we have the second highest Treasurer’s advance request on record—a request that was received in March this year. It was a process that was not terribly edifying for the government and it certainly was not edifying for the Treasurer of the day or the government itself with the loss of \$210 million during that process. We are now seeing the arrogance of the government in facing an Auditor General who has highlighted error, deficiency, mistake and ignorance that has, time and again, been dismissed by the Premier when questions about that issue have been put to him during question time. When asked tonight, by me, about when the opposition can expect to see a breakdown of the spending over the past six months as authorised by the Treasurer’s advance, he said, “Well, you might get it by the end of the week—actually, no; I can give it to you tomorrow.” Members on this side of the house do not think that is acceptable; the Auditor General has highlighted in his report that he does not think that is acceptable; and it is certainly not the way that a modern, sophisticated government should conduct itself, with which I think members on both sides of the house would agree.

The Economic Audit Committee’s final report, which the government has had for more than 12 months and which was announced and released with much fanfare, highlights these deficiencies, but that committee has gone very, very silent over the past 12 months. When can the opposition expect to see implementation of some of these recommendations? I do not know. Some of the recommendations would be easy to implement. I have previously asked the Premier and Treasurer when he intends to bring the salaries of executives of the government trading enterprises within the remit of the Salaries and Allowances Tribunal, but we still do not know, even though a large number of them could be brought in right now if the Premier and Treasurer wanted to do so. However, we await, treading water, while the Economic Audit Committee’s final report, “Putting the Public First: Partnering with the Community and Business to Deliver Outcomes”, gathers dust on the benches of the Treasurer’s office.

The problem is that we have a Premier and Treasurer who is without interest or care for the details—it is as simple as that. He was forced to pick up the Treasury portfolio in circumstances that he did not expect or like. We saw his performance as a minister in the former Court government; he regularly fought with the then Under Treasurer, Mr Langoulant, about the management of his portfolio and about the management of the finances of his portfolio; we saw that impressive performance—the costing of the canal—in the 2005 election; and now we are seeing a complete abrogation of interest in or responsibility for a coherent financial document that should be not just a budget, but the forward estimates.

The Economic Audit Committee report of this Premier and Treasurer highlights the importance of the forward estimates. Indeed, the very reforms recommended by the Economic Audit Committee report—those the former government and apparently the former Treasurer would like to adopt—depend on credible and reliable forward estimates. The Premier and Treasurer cannot get to his feet to on the one hand dismiss the forward estimates and to say on the other hand that this is a reforming government when the very reforms contained in this document depend on the forward estimates being reliable, credible and robust enough to stand up to scrutiny. Until the details of the expenses and commitments for Royal Perth Hospital, the Perth waterfront and the rectangular stadium are brought to book, that document will not be credible, the forward estimates will not be credible and there will certainly not be a state infrastructure strategy to guide the direction of government. Instead, a series of thought bubbles will come out of not the office of the Premier and Cabinet, but the Premier’s office, as he goes about his daily activities wandering from here to there with different ideas not backed up by the business case rigour that modern government and modern financial management demand. Certainly, that is not unrealistic or pie in the sky; it is what the Auditor General has found, and it is what the Economic Audit Committee has recommended.

This is an opportunity. Although this money has been spent and although members opposite may not think these to be particularly important bills in light of the fact that we are dealing with money authorised in March and since spent, this is a significant amount of taxpayers’ dollars. Tonight, we have heard the Premier and Treasurer say that he will provide the breakdown at a later date of where the money is going; initially, he said it will be provided at the end of the week, and now it will be tomorrow. That is not an acceptable way to manage the state’s finances. Professor Shergold, Mr Langoulant et al of the Economic Audit Committee report found that,

and discovered and recommended a way forward that the former Treasurer had some belief in and, I think, was interested in. I do not know whether the government has dropped the ball on reform. I am pretty sure that the government has dropped the ball when it comes to sensible financial management. Certainly, the eyes of the Auditor General, and the report that I just went through in some detail, and a previous report of October this year—namely, ICT procurement in health and training—show this to be a government that is not paying attention to those small details.

As I said at the beginning of my contribution, Mr Speaker, it all comes back to this: what is it that the government has been authorised to do by this Parliament—by us in here? It has been authorised, pursuant to section 27 of the Financial Management Act, to make expenditure outside the budget process to make payments in respect of extraordinary or unforeseen matters. If members look at the very short, lacking in detail schedules attached to both these bills, it will become apparent to many here—certainly the Minister for Mental Health will agree wholeheartedly with me—that the Treasurer's advance has simply become a tool to hide the poor budgeting practices of this government. It was \$1.2 billion last year and \$1.15 billion this year. One cannot have those sorts of increases in the Treasurer's advance simply because one is dealing with unforeseen or extraordinary matters. We see a government that is simply unable to manage its finances properly, that is unable to budget accordingly and that is now relying on the Treasurer's advance process to fill in the gaps it has created. The Department of Treasury and Finance's forward estimates that I place a fair bit of reliance upon show an economy returning to growth, and I fear that these poor financial management practices will fester away hidden by a strong stream of revenue and hidden by the fact that the government does not have to address the deficiencies that the Auditor General and, indeed, the Economic Audit Committee have highlighted. Deficiencies hidden by a strong revenue inflow will eventually be exposed when the economy returns to a more normal level of growth.

These bills are a very important measure of scrutiny for the government and an important process of accountability for the government. This Premier and Treasurer has been more averse to this scrutiny and accountability than I ever expected him to be before he became Premier. This was the man who wholeheartedly beat his chest as a shining light of accountability in Australia. He was somebody who claimed he would uphold the strictest of financial management processes, and we now find him considerably wanting.

**Mr P. Papalia:** The invisible Treasurer.

**Mr B.S. WYATT:** Indeed—the invisible Treasurer. I think it very important that the Premier relieve himself of the Treasury portfolio as soon as Parliament rises because the Treasury portfolio is now held by a man who is distracted and who is not interested in the small stuff—in the detail. The Premier is not interested in implementing the reforms of his own Economic Audit Committee report, and is not interested in addressing the Auditor General's findings. That is why the Auditor General says, disturbingly, that 53 of those identified financial deficiencies have not been rectified from previous years, and why the more significant financial deficiencies have doubled during the past two years. These are significant issues. These are not esoteric issues. These are the key activities that the Treasurer of the day should be across and should be spending his days on. The Treasurer of the day should be asking the Department of Treasury and Finance to explain to him why it is that the Auditor General is telling him that 20 per cent of his financial officers are not qualified to do their job. Why is that? We do not have that. We have a Treasurer and Premier not interested in the Treasury portfolio. As a result, I dare say that during consideration in detail, when the opposition is finally given a copy of the document that breaks down the government spending under this second record Treasurer's advance authorisation, we will see a government simply filling in the holes it creates in the ordinary course of government activities. That is not what the Financial Management Act provides the government of the day with the authority to do. That is why section 27 of the Financial Management Act deals with extraordinary and unforeseen events to which money can be allocated. The government is ignoring that; the government is spending its money, as authorised in the Treasurer's advance, to simply prop up its general activities in the general government sector. This opposition will ensure during consideration in detail that the spending is exposed for what it is.

**MR W.J. JOHNSTON (Cannington)** [10.18 pm]: I rise to make some comments on the Appropriation (Consolidated Account) Capital 2009–10 (Supplementary) Bill 2010 and the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010. I start by pointing out what these bills do not contain.

For the people of Cannington, the bills do not contain a commitment to rail infrastructure in my electorate. In 2008, as a newly elected member of Parliament, I wrote to the Minister for Transport to ask him what he would do about the necessary upgrade of the Queens Park train station. I was very pleased when the Minister for Transport wrote back to me to say that the Queens Park train station would be upgraded in the first quarter of 2009. That was very pleasing. As you could imagine, Mr Speaker, as a new member of Parliament, I was very pleased to get a positive response the first time I lobbied government for expenditure on behalf of my constituents. Sadly, although I received a positive response in a letter, I did not get a positive response in action.

The government still has not followed through on that commitment to upgrade the Queens Park train station. Interestingly enough, the government subsequently committed to doing that work in the first half of 2010, which would have been in the budget that we are considering, but that work did not happen then. The minister wrote back to me late this year to say that he had failed to properly manage the contracting of that project, and the project would be delayed further, at least into 2011. It will be interesting to see whether that project is actually delivered next year. We would think that the upgrading of one train station would not be so complex that a government could not handle it in two years, but apparently that is the case. The rail infrastructure in my electorate desperately needs some upgrades, some of them minor, but some of them more significant, which will need to be looked at over the long term. It will be interesting to see, if the Premier does not believe in forward estimates, whether the necessary work on these stations and level crossings will be included in budgets in the future, because that work is desperately needed for the people in my electorate. I am sure the member for Forrestfield and the member for Gosnells will make remarks on this. If the government can afford to spend money on Claremont Football Club and on providing facilities in the Premier's electorate, it is completely reasonable that the government can find some resources to spend on the people who live in my electorate and the electorates neighbouring mine. The fact that the government chooses —

**Mr C.J. Barnett:** You have never approached me on any project in your electorate since you have been here—never! You have not fired a shot for your constituents. You have never approached me on anything.

**Mr W.J. JOHNSTON:** I am sorry. I thought the Premier had ministers who are doing their job. I did not realise that I have to make a special appointment.

**Mr C.J. Barnett:** You are an absent member.

**Mr W.J. JOHNSTON:** That is an interesting thing to say. I have written to the Premier on a number of occasions about a number of issues, including—let me raise this with the Premier—making proper payments to people affected by Redress WA. I have written to the Premier four times, I believe it is, on Redress payments, and on every single occasion the Premier has written back rejecting that just payment to those people who were so badly abused by governments of this state. We have already looked at that matter in this chamber. I am offended by the nonsense coming out of the Premier's mouth. What a disgrace! The Premier comes in here and talks about how I have not written to him on any issues. That is an issue that I have written to the Premier about. But what is his answer? The Premier's answer is to punish these people who were so badly abused by this state. The Premier delivered a cold shoulder and a turned back to those people. That is what he delivered. So do not lecture me, Premier! Do not lecture me, you pompous person! I am the only person in this chamber who has been proved to have told the truth, thanks to the inquiry launched by the Leader of the House! I am the honest man—the only one! I was not afraid of an investigation into my behaviour. The Premier is afraid of an investigation into his behaviour. The Premier is giving me plenty of opportunity to remind the people of this state what a failure he is and what a failure he will continue to be—a failure as Premier, a failure in life. It is a disgrace, an absolute disgrace, Premier. The Premier turned his back and gave a cold shoulder to people who were so badly affected. Was the Premier here when I talked about a constituent of mine who I demonstrated to this chamber has lost sight in one eye because of the failure of the state of Western Australia? But what does the Premier do to him? The Premier turns his back, gives him a cold shoulder and delivers him nothing.

This is a government that does not invest enough in schools in this state. Remember, when we were in government, we introduced a payment that went to parents of children in years 11 and 12. Do members know what happened? When members opposite came into government, that was one of the first things they abolished. This government abolished a payment that went to families at a time of need, when their kids were in years 11 or 12 or when they were starting an apprenticeship or doing a TAFE course. When their kids were aged 16 and 17, there was a payment paid by the state government to those parents. This government abolished that payment. The government should not tell me how it has helped out. I did not realise that the Premier's ministers are not capable of doing the job. They are all drawing a quarter of a million dollar salary. Apparently, it is not good enough that I write to the ministers asking them for action. I have to write to the Premier! Why does the government have cabinet ministers?

**Dr A.D. Buti:** It is a one-man show.

**Mr W.J. JOHNSTON:** The member for Armadale points out that it is a one-man show. I did not realise the 17 other ministers around the cabinet table who are drawing a salary were there only for colour and movement and not for action and delivery. The fact that they are incompetent and do not do their job, like the Minister for Police, is irrelevant because the government has Col. What a great idea. The government does not have to worry about cabinet procedures. I will not even make an appointment with the Premier; I will just rock up and the Premier can give me an extra staff member and deliver money for a railway station and for school payments to

parents. The Premier can do all those things. Let us face it, when we look at the Appropriation (Consolidated Account) Recurrent 2009–10 (Supplementary) Bill 2010 —

**Mr R.F. Johnson:** You were single-handedly responsible for costing the Labor Party government.

**Mr W.J. JOHNSTON:** That is true, minister. It was not the Liberal Party. I agree with the minister 100 per cent that the Liberal Party did not win the election. We all know that. We all know it got in on a crooked deal. Do not worry; we know that the Liberal Party did not win.

It is interesting to note that \$34 126 000 was put into this bill to pay for voluntary redundancies. The Premier has made great play about voluntary redundancies because he goes on about how he wants an efficient public service. It is interesting to see that on 30 June 2009 the full-time equivalent cap for the public sector in Western Australia was 99 877. After the taxpayers of Western Australia had spent \$34 million in change on redundancies, we find that the cap on 30 June 2010 is 102 668. In other words, we spent \$34 million to make voluntary redundancies but all those public servants have been replaced and another 3 000 have been hired. That shows the lack of discipline of this government. We know what happens with the cap. It is not a cap. Normally, when we think of a cap, it is a limit above which we cannot go. Every time this government wants to hire another public servant, it raises the cap. It is a joke. It is not a cap to reduce the level of public servants. The government paid \$34 million for voluntary redundancies. As a former public servant, I know what happens in voluntary redundancy schemes. The people who take the voluntary redundancies are the ones who believe that they will make the best go of it in the private sector. Look at the telecommunications companies who have staff who were made voluntarily redundant by Telstra. They delivered technical knowledge to Telstra's competitors because Telstra was making people voluntarily redundant. It is the same here. Look at the tourism sector. The government has made people in that sector redundant and then hired them back as consultants, so there is no reduction. In fact, it is worse because those consultants —

**Mr C.J. Barnett:** Give us an example? Do you have an example in tourism? Name someone.

**Mr W.J. JOHNSTON:** I will not name an individual, Premier. Surely to God the Premier will not stoop to that level.

**Mr C.J. Barnett:** Give me a job distribution. You just made it up.

**Mr W.J. JOHNSTON:** When those people are hired back into Tourism Western Australia, Tourism WA counts the expenditure as promotional expenditure rather than employment-related expenditure. In tourism, the government has falsely inflated the amount of money spent on tourism promotion by hiring consultants who are the exact same people who were employed there previously. I will not name the person because that person needs to be protected. I know who the person is because the person has spoken to me.

**Mr C.J. Barnett:** He does not exist. He is Casper the ghost!

**Mr W.J. JOHNSTON:** As the only person in the chamber who has been proved to have told the truth, do not come that line with me. As I have already said to the Premier, I was happy to be investigated because I knew that I was telling the truth. The Premier is not prepared to be investigated because he knows where that investigation will lead. The fact that the Premier does not keep diary notes of important meetings can lead to only one conclusion. Many years ago, a former head of a commonwealth government department pointed out to me that as the FOI laws became more expansive, he recorded less and less. The Premier must have followed the same schooling. The fact that he keeps no dairy notes of important meetings demonstrates what believability he has. The Premier deliberately avoids keeping records that would allow freedom of information requests to deliver the truth about his behaviour. The Premier knows that, and the fact that he did not interject on me when I said those words demonstrates the truth of what I am saying.

**Mr C.J. Barnett:** The most truthful member in the chamber!

**Mr W.J. JOHNSTON:** That is right; I am. The Minister for Police has proved that. The Minister for Police demanded an investigation into my honesty and the answer was that I am an honest man.

**Mr R.F. Johnson:** I do not trust you and I do not believe you.

**Mr W.J. JOHNSTON:** I am an honest man, and the minister's inquiry demonstrated that. If the minister has any doubt, he should refer me to that committee again.

I point out that in the aggregates for the 2009–10 financial year, the expenses listed in the annual report were \$21 208 million. That is a \$2 511 million increase on the amount in the *Pre-election Financial Projections Statement*. That is a 13.5 per cent increase on the amount that the Labor Party planned to spend. That shows the budget discipline of this Treasurer. This is a Treasurer who spent 13.5 per cent more than the Labor Party was going to spend. Members should go back and read the *Hansard* record to see what the member for Cottesloe, the

member for Hillarys and the member for Vasse used to say. They made personal and irrational commentary on the now Leader of the Opposition. The member for Belmont had to suffer personal abuse from those members, yet this government has spent 13.5 per cent more than the Labor government. This government's financial expenditure is 13.5 per cent more than the Labor Party was planning to spend. That is the budget discipline of the member for Cottesloe. He has no budget discipline at all.

This is an interesting point: the Treasurer can make staff redundant and increase the public sector at the same time. The Treasurer lets the best and brightest go into the private sector with a nice golden handshake, then hires them back as consultants, and still increases the size of the public sector. That is great budget management! The Treasurer can spend 13.5 per cent more on expenses than was planned by the Labor government, and that is the Treasurer's idea of good financial management.

Let me get to another issue, which is the shambles that is this Treasurer's authorisation process. There is no relationship between the documentation tabled by the Treasurer at the time of the debate on the Treasurer's Advance Authorisation Bill and the appropriation bills that are coming forward. There might be one or two departments such as Indigenous Affairs for which there is, but, basically, for most of the departments, there is no match. Why is it that the Treasurer is hiding the breakdown of the information on where that money is being spent? What is the reason for that? The Treasurer has the information available to him already, so why has he not provided that information to the people of Western Australia? What is it that causes the Treasurer to hide that information? What embarrassment would be caused to the Treasurer by giving proper information to the people of this state? The Treasurer does not answer that question. There is no interjection; no smart-arse remark now because the Treasurer knows —

**Mr C.J. Barnett:** I said that I would give it to your spokesman tomorrow morning.

**Mr W.J. JOHNSTON:** Yes, that is nice, but it should have been here when the bill was introduced, because the Treasurer knows that the information was available in his office on that day. The Treasurer should read the debates on these matters when we were in government. That information was provided to his side of Parliament well in advance of these debates. The fact that the Treasurer hides this information is just another example of the way he cannot manage the finances of this state. I feel sorry, quite frankly, for the member for Cottesloe. I do not think that he should have taken on the responsibility of Treasurer, because it is not a job he wants, it is not a job he is suited to, and it is not a job he is interested in. I feel sorry that he had to come along and take on this portfolio. We saw during budget estimates that the Treasurer is not comfortable doing these jobs. That is fine; not everybody suits every job. However, I am afraid that the Treasurer is going to handball this portfolio, having had it handballed to him because of issues relating to the member for Vasse, probably to the Minister for Culture and the Arts, who is going to have to make sense of the mess that the Treasurer is leaving behind. The one thing that we know is that the Attorney General is not brave enough to take on the Treasury portfolio. The person who sees himself as the future Premier of this state is not prepared to do some hard work and step outside his comfort zone and be Treasurer. Again, silence falls on the chamber. There is only one choice in the cabinet for this portfolio, and that is the Minister for Culture and the Arts. He is the only person capable of doing the job. We would expect that the Attorney General would be prepared to do it but we know he is not. None of the other ministers is going to do it and none is prepared to. The Minister for Health has no chance of becoming Treasurer because the only thing he ever says in the health portfolio is, "This is what Jim McGinty did." He does not have any plans or an agenda of his own. He does not do anything other than say, "Why do you complain? Jim McGinty did it too."

[Member's time extended.]

**Mr W.J. JOHNSTON:** This is a government that needs to get itself together. It was one thing for the government to be elected in 2008 and say that it needed \$1.2 billion because it had its agenda and we had ours. It was a budget inherited from the Labor Party. The government did not change a single line item in our budget, a budget that it complained and whinged about and said was terrible. It just added \$1.2 billion. A competent government would have had a mini-budget, but let us leave that aside. Why can it not stick to its spending commitments in its own budget? The economic geniuses of the Liberal Party have spent \$1.15 billion. They turn up in this place and ask for nine per cent extra to spend because they could not keep themselves under control.

It is interesting that the budget for the asset investment program has fallen. In other words, this government is spending less on capital expenditure in this state and less and less on public investment. The other important aggregate is the question of debt. Debt is rising; the government is spending less on capital but it has increased debt. It is a bizarre situation. It would be nice if the Premier and Treasurer was prepared to provide information to the people of Western Australia, but he comes into this chamber and chooses not to do that. That is the way this government chooses to work. It has the opportunity through this process to inform the people of this state about what it is doing with the money that has been raised through the gouging of fees from the rising electricity prices paid by people living in my electorate. On that topic, I had an interesting conversation with a pensioner

from the suburb of Langford. She explained to me how she had to turn the heater off during winter and cover her legs with a blanket because she could not afford to pay the increased power costs that are subsidising this government's poor economic management. It would be nice if the government delivered for the people of the state, but it is not doing that.

It is even worse when we look at the con job that the government has delivered by way of tax cuts. It promised the people a \$250 million tax cut but instead it increased taxes in this state. Taxes in this state have gone up. Not only that, but also it promised a \$100 million tax cut to the business community in Western Australia. I had a joke with the member for West Swan about this. How much does a \$100 million tax cut cost? It cost the Premier of this state \$76 million to deliver a \$100 million tax. It was a con the day the press release came out. It was a con when it was taken from the people of this state. Despite the government promising to cut taxes by \$250 million, it has increased taxes. The Liberal Party used to complain about the Labor Party increasing taxes. I do not have a problem with governments setting an appropriate level of taxation; I have a problem with the Liberal lie that the Liberal Party will have lower taxes. It was a Liberal lie when it was said before the election and it continues to be a Liberal lie today because the Liberal Party is increasing taxes. The tax burden on small businesses in this state is increasing under this government. A \$100 million tax cut cost it \$76 million. It is a con. It was a con then and it is a con today. Again, silence falls on the other side of the chamber. There have been no promises for and no commitment to further tax cuts. Because the rivers of gold are again falling from China into the budget of the Premier, there will be some tax cuts and stuff at the next budget.

Let us make it clear: those tax cuts will be paid for by the working people of the electorates of Cannington, Willagee, Armadale, West Swan and Swan Hills in the increased costs of living delivered by this Premier. This Premier has increased costs by \$800 for the average family in this state, plus the It Pays to Learn allowance has been taken away from the parents of 16 and 17-year-old kids, plus subsidies for school fees for public schools have been removed. These are all decisions of this government and it is delivering pain and agony to people in the electorates that not only I and the people on this side of the house represent, but also many of the people on the other side of the chamber represent. We have surveyed the constituents in those electorates and we know the response they are giving, even in suburbs such as Booragoon in the Attorney General's electorate. I can tell the Attorney General of the negative response that his government's increases in fees and charges have delivered in the suburb of Booragoon, just as one example.

**Mr C.C. Porter:** I can tell the member for Cannington that Booragoon is not in my electorate.

**Mr W.J. JOHNSTON:** That is just one example of the things that are occurring in this state.

It is great that the government likes to make headlines. I will just point out a couple more headlines that have been raised by the government. One of those is the question of cutting —

**Ms R. Saffioti:** So the office isn't in your electorate?

**Mr C.C. Porter:** It is about 10 minutes out.

**The SPEAKER:** Members! Attorney General and member for West Swan, I am sure that you are quite happy to have a conversation with each other; I prefer to listen to the member for Cannington.

**Mr W.J. JOHNSTON:** It is interesting that this government has more spin than Mark Webber on a slippery track! It is delivering more media releases without substance. I have been through this in detail previously, but one of those that interest me is the question of the teachers' pay rise. The teachers' pay rise cost this government \$3.5 million. That is the answer that was provided to me by the then Treasurer, the member for Vasse.

**Mr C.J. Barnett:** Is that \$3.5 million?

**Mr W.J. JOHNSTON:** That is right. That is how much extra —

**Mr C.J. Barnett:** So six per cent for teachers costs \$3.5 million!

**Mr W.J. JOHNSTON:** That is how much extra went into the budget.

**Mr C.J. Barnett:** What a genius!

**Mr W.J. JOHNSTON:** That is exactly the answer that had been given to me by the member for Vasse during the process of the Treasurer's advance authorisation. That is how much extra was allocated to pay the teachers' pay rise. It is one of the big cons—the idea that this government was somehow generous to teachers. The money was absorbed into the budget of the department. Who paid the pay rise for schoolteachers? It was paid with cuts in teacher aides and other services provided by schools. That is where —

**Dr E. Constable:** That is rubbish!

**Mr W.J. JOHNSTON:** That is exactly the answer that was given to me by the Treasurer in this chamber; that is exactly what he told me. He said that it cost \$3.5 million. That is the answer he gave me in this chamber.

**Dr E. Constable:** Rubbish!

**Mr W.J. JOHNSTON:** If it is rubbish, why did the Treasurer give me that answer?

**Mr R.F. Johnson:** Show us it!

**Mr W.J. JOHNSTON:** Read *Hansard* you fool!

Anyway, let us get on to another issue of spinning the wheels. Government members were going on about cutting down on committees. What a very interesting thing! I asked every minister to outline how many committees had actually been cut. They were able to list 1 324 committees. It is interesting that 63 of those are awaiting legislative change, including abolishing the Racing and Wagering WA committee. But not only that, this is the best one: 477 committees were wished away! Four hundred and seventy-seven committees did not cease to exist; they were defined away. Therefore, the Premier can proudly say, “I cut the number of committees in half” when in fact 477 committees were wished away! They were not abolished; they still exist and they are still doing exactly the same thing, but they were all just wished away.

Several members interjected.

**The SPEAKER:** Members from both sides of this place might wish to compete and interject more loudly than each other, but I repeat my former comments: I just want to hear from the member for Cannington.

**Mr W.J. JOHNSTON:** Abracadabra! Tabled paper 2104 lists it in great detail. There were 477 committees that ceased to exist in the Premier’s mind simply because he decided that they do not exist. It is not that they do not exist; he just decided that they did not exist. If we wanted to see spin in action, this is the definition of spin. Tabled paper 2104 lists 477 committees that exist, except in the mind of the Premier, so that he can put out a media release saying that he has only 628 committees, while those lousy Labor people had 1 300 committees. However, 477 of those committees still exist outside the Premier’s mind. It is a case of the emperor’s new clothes; now we have the Premier’s committee count. The Premier cannot count beyond 628; that is how high he can get. He cannot count the other 477; he just cannot get there. He can get to only 628. What about the other 477? Let us not worry about them.

It is interesting to look at the committees that he intends to abolish. There is the Medical Costs Committee for WorkCover WA, and the Country Housing Authority—has cabinet agreed to that? There is also the Burswood Park Board, Racing and Wagering Western Australia and the Western Australian Greyhound Racing Association. They are all going to be abolished. Who is going to do the work? Will the work be transferred to other committees? It is interesting, because —

**Ms R. Saffioti:** The dogs will do it themselves.

**Mr W.J. JOHNSTON:** Yes, come to Cannington! They will be looking forward to that, I am sure! It will self-regulate.

It is also interesting that 26 committees of the Department of Health will be abolished by legislative change, but none of them is included on the tabled document that lists the committees to be abolished. Part of the answer was that cabinet discussions were still ongoing. I refer to tabled paper 2105, which is apparently a list that, due to ongoing discussions, is not a total summary of all boards and committees requiring legislative change. Ongoing discussions! The Minister for Health has been told by the Department of Treasury and Finance to abolish 26 committees—so which committees are they? Why will the Minister for Health not agree that those 26 committees should be abolished? What is it that he wants to save amongst those committees? Why is none of that public information? Why will the Minister for Health not be honest with the people of Western Australia and come forward and tell us the truth, instead of hiding behind this document? Will those 26 committees be included on the list? Will the 477 committees the Premier cannot count become 503? Will they just be added to the definition list?

This is a ridiculous situation and it is typical of a government that is more interested in press releases than delivery. This is a government that says it is about lowering taxes, when it increases taxes. It says that it is interested in lower expenditure, when it has higher expenditure. It says that it is interested in the delivery of capital works, when it is cutting the capital budget. It says that it is interested in delivering for the people of this state, when it does no such thing. What is more, it has turned its back on the people who have been affected by Redress WA. Not only that, it has increased utility costs for every ordinary person in this state by \$800; that is \$800 that they would not have to pay were it not for the Premier’s personal decisions on these issues. There is more to come.

Debate adjourned, on motion by **Mr R.F. Johnson (Leader of the House)**.

*House adjourned at 10.49 pm*

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